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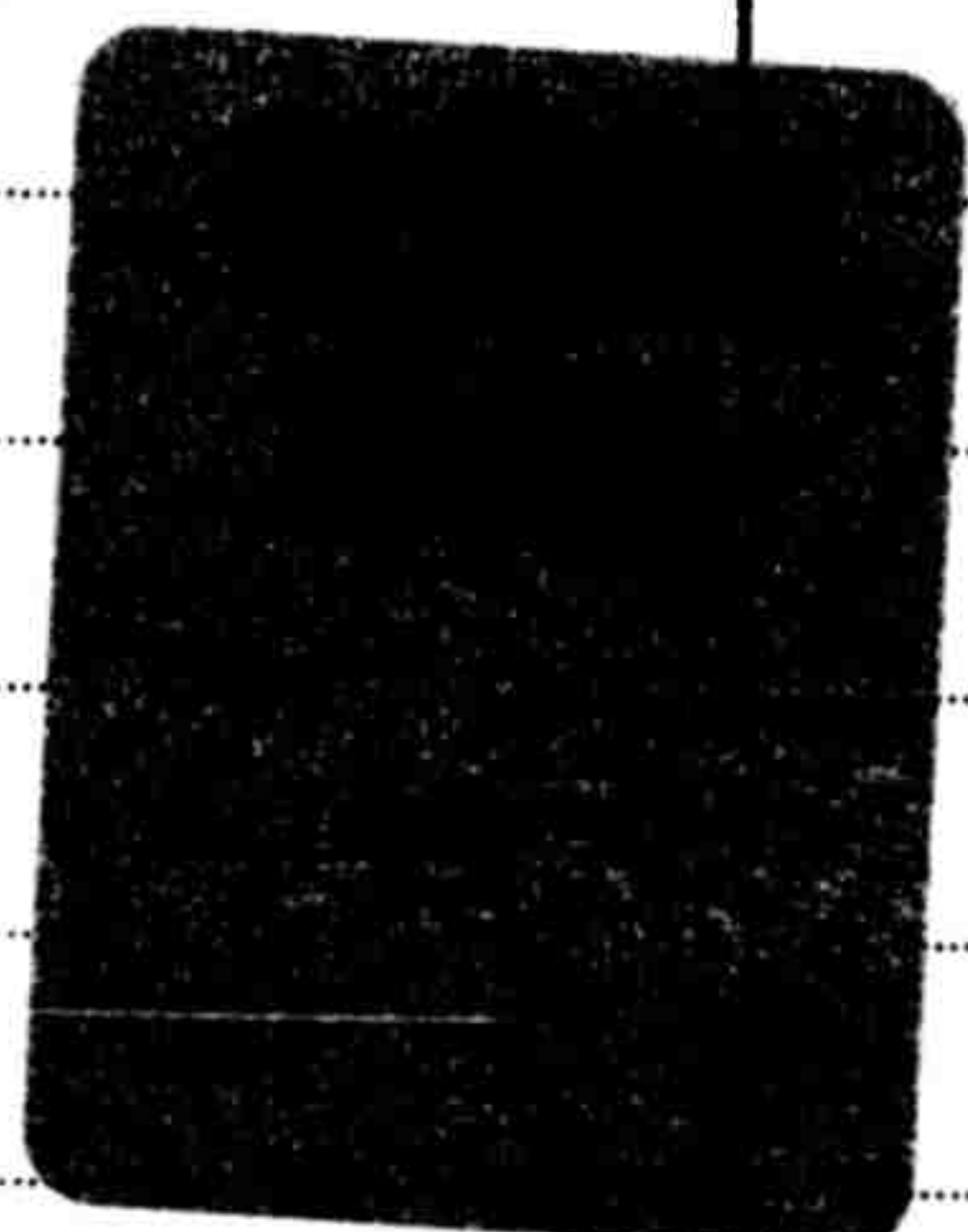
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(1)

Iraq - Annual Review of ~~Iran~~ for 1971

Summary

1970 had held out hopes of greater tolerance and relaxation by the ruling Ba'ath. They were not fulfilled : and this despatch is datelined from London. (Para 1)

On the internal scene new acts of nervous intolerance had already set the tone by mid-year (and Britain was already in the line of fire). Motives for this new wave of repression not readily identifiable. (Paras 2 and 3)

There was more ruthlessness to follow; and by the end of the year not even its access of wealth had enabled the regime to burnish its internal image. (Para 4)

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Iraq's handling of her Arab relations as crass and unprofitable as ever, notably over Palestine and the Sudan. Her residual friends in the world both few and curious. (Para 7)

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But Iraq scored some successes in the economic field. Plans for producing "national" oil made good progress: for marketing it, not so good. The IPC oil agreements of June doubled Iraq's oil income and boosted her development plans. (Paras 9 and 10)

Difficulties facing our commercial prospects in an expanding but state-controlled market, and doubts whether we shall remain Iraq's leading suppliers. (Para 11)

Advantages of responding to the undiminished Iraqi desire for professional and educational links with Britain. (Para 12)

LAST PAPER

pb  
19/12



(Summary continued)

In short, 1971 was for Iraq a year of political reverses but economic gains. The regime is not likely to be ousted nor relations with Britain to be quickly mended. But our commercial and cultural effort is worth maintaining. (Para 13)



*Confidential*

*Foreign and Commonwealth  
Office  
London SW1.  
2 February 1972*

Sir,

The possibility hazarded in my Annual Review for 1970 that over the subsequent twelve months the Ba'athist regime in Iraq might begin to exhibit modest flickerings of grace, not only by further internal relaxation but by swinging back to a more tolerable version of non-alignment, has been signally falsified by events. I did of course foresee last year that the ending of Britain's special position in the Persian Gulf was likely to cause a crisis in our relations with Iraq; and if I conveyed the impression that the Ba'athist regime looked marginally less repellent at close quarters than it clearly did from Whitehall and Fleet Street, I do not repent. But some aspects of Ba'athist behaviour in 1971 were worse than I had bargained for. And the fact that my review for 1971, consisting of this despatch and the chronology accompanying it, has to be drafted in England as a result of the expulsion of my Embassy from Baghdad may at least save me from any suspected inclination to represent Ba'athist behaviour ~~on this occasion~~ *this time* in too complacent a light.

2. It was in its internal behaviour that in 1970 the regime had shown signs of greater self-confidence and the ~~strings~~ *moderation* of ~~tolerance~~. But in 1971 this trend was unhappily reversed. Thus the dismissal from their ministries of two top pragmatic technocrats in January (and of a third in June), the assassination of the exiled and likeable General Hardan Tikriti in March, the determination announced in May to eradicate "bourgeois and liberal concepts" in culture and education, the dismissal of many highly-placed officers and office-bearers in June because of their foreign wives, and the invention of a plot (backed by British



Intelligence) ~~to~~ <sup>all these</sup> overthrow the regime at the beginning of July ~~say~~ indicated not an access of confidence but a loss of nerve on the part of the clique at the centre of power. There was worse to follow. But already by mid-year the promise of better things on the home front had evaporated; and it may be worth pausing at this point to consider why.

3. As far as one could judge there was no cause for this renewed repression : no rival focus of power, that is to say, looked remotely like emerging. It may be that growing disillusion with the Kurdish settlement of 1970 had something to do with it. Perhaps the regime's continued failure to arouse popular support weakened their nerve. Perhaps tensions within the corridors of power drove the dominant but unloved Saddam Hussain to greater ruthlessness. Perhaps the taunts and prophecies of doom voiced by other Arab governments (from whom Iraq remained marvellously estranged) aroused an element of panic. It does not need much to revive the nervous intolerance congenial in Iraqi governments. The Russians, certainly, need not be suspected of encouraging repression since Iraqi communists were prominent among those who suffered. Nor can the sort of unpopularity inseparable from prolonged financial straits have still been worrying the regime, for it was already clear early in the year that soaring oil revenues would soon carry them well out of the red.

4. But certainly by mid-year loss of confidence was already evident. And the rest of the year compounded it. Of the tens of officers arrested over the alleged conspiracy



in July none - apart from Colonel Fahim Jalal, whose "confessions" of working for British Intelligence were given maximum publicity in September - were officially named or brought to trial.

President Bakr's promise in July of a National Assembly "within a few days" remained as ever unfulfilled. The two remaining pragmatists at the top, Vice President Ammash and Foreign Minister Shaikhly, were sacked in September. The failure of the Government's Kurdish policy was lamentably underlined by its grizzly but abortive attempt on the 29th of that month to assassinate the Kurdish leader Barzani. And on the home front the year ended with nothing but a half-baked National Charter to show for constitutional progress, with the pretence of collective leadership increasingly abandoned and only an orgy of junketings with East European goodwill missions to conceal from the people the regime's political credibility-gap. All this, it should be added, despite a vast access of oil wealth (making possible huge allocations to development, generous pension laws and doubtless many unpublicized disbursements) which might have been expected to enable even this regime to burnish its internal image.

5. Externally, meanwhile, the regime's political behaviour was even less encouraging. Despite constant protestations of a desire for a better understanding with the West, and despite sundry measures to cultivate a special relationship with France, the tobogganing towards Moscow gained further if sometimes bumpy impetus. Considering the conflicting nature of Soviet interests in the Near East and the carefree manner in which the Iraqis continued both to repress their own pro-Soviet communists and to dally with Peking, the Russians handled



the regime with conspicuous skill and forbearance. Yet another Soviet loan (of ID.80 million) was vouchsafed in April; fairly sophisticated military equipment, paid for or not, continue to pour in through the back door; Iraq's indebtedness to the bloc in the development of her "national" oil policies expanded without visible friction; and on any date in the year there was at least one high-level delegation travelling to or from bloc countries. Of the inward missions pride of place <sup>must go</sup> to that led by Deputy Prime Minister Novikov in late June, carefully timed to trump the IPC Oil Agreements of the beginning of that month and establishing (in Iraqi eyes) a new degree of public intimacy, inter-party and intergovernmental between Moscow and Baghdad - less embracing of course than the preceding Soviet treaty with Egypt and not so glaring as to cause an uncontrollable explosion in Tehran, but still impressive.

6. As ~~far as~~ <sup>for</sup> concerned our own political relations with Iraq, the cards were increasingly stacked against us as the year's play proceeded. Our endeavours to leave a tidy and stable situation behind us in the Gulf obliged us to clash with Iraq to avoid a more damaging clash with Iran. On the crucial issue of the disputed islands of Abu Musa and the Tunbs Iraq's concern ~~was little less~~ that they should not be occupied by Iranian forces was little less pronounced than Iran's concern that they should. And the circumstances in which the occupation took place on the 30th of November made it inevitable that Iraqi spleen should vent itself on Britain almost more than on Iran. Whether they would have gone the length of severing relations had their attempts to drum up Arab sympathy for their cause



*\*  
[insert]*

I am not thinking particularly of the alleged involvement of three members of the Embassy in the alleged July conspiracy. (By the Iraqi canon, all diplomats are spies : and most of them are plotting. What else would they be for ?) The purpose of this particular fiction and of the expulsion of the three officers concerned was mainly to give an air of verisimilitude to the internally convenient story of a plot. By itself it did not greatly affect our political relations. But it was otherwise in the case of Gulf affairs.



proved less fruitless, is debatable. Their instant decision to sever relations bore all the signs of an unpremeditated, midnight gesture of despair.

7. Iraqi preoccupation with the Gulf had been <sup>publicly</sup> waxing as their interest in the central Arab issue of Palestine privately waned. The withdrawal of virtually the whole of Iraq's forces from Jordan and Syria, completed early in the year, may have been a relief to more combat~~ant~~ Arab governments but cannot have enhanced Iraq's standing as a champion of <sup>Arab</sup> ~~Palestinian~~ rights; and such measures as she took during 1971 to break out of her almost total isolation in the Arab world <sup>were</sup> half-hearted and fruitless. The folly of her indirect involvement in Atta's coup in the Sudan in September compounded her alienation from the mainstream of Arab revolution. And when the ~~Isa~~lands issue came to the boil there was well have been a feeling amongst other revolutionary Arabs that, if Iraq insisted on pursuing her own miscreant ambitions at the expense of the central Arab cause, she could stew in her own juice. The Ba'athists of Baghdad, unfortunately, have no talent for drawing morals. And it is ample comment on Iraq's capacity for losing friends and influencing nobody that by the end of the year, and despite making passes at North Yemenis and Somalis, her only regular bedfellows were North Koreans, South Yemenis and outlandish layabouts from Guinea.

8. As for the most important of her immediate neighbours, Iran, the temperature of mutual relations dropped and remained well below zero. Skirmishings on the frontier, infiltrations of



saboteurs and long-range bombardments on the radio have long been accepted by both sides as part of the way of life. But they are irrelevant to the main issue, which concerns Iran's emergence as the dominant power in the area. There was and is nothing much Iraq could do to obstruct Iran's advance; and the only positive responses she could think up -expelling many thousands of harmless and homeless Iranians and severing diplomatic relations- can hardly have aroused the sympathy of impartial observers.

9. But whatever may be said of her lamentable political gamesmanship in 1971, at home and away, she could none the less claim some notable successes on the financial and economic front. Apart from steady progress, with Soviet bloc help, in the pursuit of her "national" oil policies, she was enabled by the course of history to extract such financial concessions from the Iraq Petroleum Company that, following the agreements of early June on chargeable costs and East Mediterranean prices, Iraq was declared by the IMF to have entered the category of "rich countries". Even if final acceptance by the IPC of royalty expensing and the notorious Law 80 still eludes her, she ended the year with her oil income doubled and the certainty of more to come from the same source - if not also from the marketing of her own "national" production, due to start in the new year. Whether her search for adequate outlets for her national oil will or will not succeed, and whether the IPC, under the government's gross harassments, will or will not decide that the game is no longer worth the candle are the main economic questionmarks hanging over 1972.



10. As things stand, however, Iraq's capacity to get her countrywide development plans off the ground, to attract foreign commercial and contracting interest, to pay her debts and to raise the general standard of living is now, in the purely financial sense, considerable. To have been able in October to raise her 1970-74 Development Plan allocations from ID 415 to ID 952 million would be a boost to any government's morale, and there is some reason to hope that the Plan's sensible

[Insert] The Ba'athists should also be given some credit, in the socio-economic field, for seriously reexamining their educational structure and for reverting to the policy of seeking foreign technical and university teachers, British (could they get them) in particular. Their new Labour and Pension laws are also, with certain reservations, well conceived.

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state control of the economy and to inter-governmental trading (with an unwelcome emphasis on barter), the continued insistence on cheap credit and <sup>on</sup> ~~to~~ <sup>ing</sup> allocate major contracts to those more interested in political than commercial profit all militate against an improvement in Britain's trading position. We may still prove, despite a <sup>small</sup> net drop in our exports (around £.20 million), to have remained Iraq's leading supplier in 1971; but we shall hardly retain the position thereafter. We secured in 1971, despite effort, no big contracts; our long-gestated offer of credit facilities came too late to be of interest; the exports of communist countries, with their built-in procedural advantages and ~~expensive~~ (among others anxious to get both feet in the door) of France, are shooting upwards. Nonetheless there is still a preference for British goods in various ranges; and with the marketing expanding fast there is no cause for our export effort to be abandoned or relaxed, whatever the state of our political



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11. But despite the expanding market our own commercial prospects may not greatly benefit. The trend towards intensified <sup>and trade agreements</sup> state control of the economy and to inter-governmental trading (with an unwelcome emphasis on barter), the continued insistence on cheap credit and <sup>on</sup> ~~to~~ <sup>ing</sup> allocate major contracts to those more interested in political than commercial profit all militate against an improvement in Britain's trading position. We may still prove, despite a <sup>small</sup> net drop in our exports (around £.20 million), to have remained Iraq's leading supplier in 1971; but we shall hardly retain the position thereafter. We secured in 1971, despite effort, no big contracts; our long-gestated offer of credit facilities came too late to be of interest; the exports of communist countries, with their built-in procedural advantages, and ~~of France~~ (among others anxious to get both feet in the door) of France, are shooting upwards. Nonetheless there is still a preference for British goods in various ranges; and with the marketing expanding fast there is no cause for our export effort to be abandoned or relaxed, whatever the state of our political



relations.

12. ~~There~~ is one other field in which continued effort is worth while. Our professional and educational links with Iraq are deep-rooted. They are valued by Iraqis, even those politically ill-disposed (from President Bakr downwards); and they are worth fostering by us if only for their <sup>ultimate</sup> ~~straight~~ material dividend. Throughout the year the regime displayed a renewed concern for the expansion of such <sup>non-political</sup> links: the signature of an agreement for a joint English Language Teaching Institute in May and the stream of <sup>British</sup> medical experts and advisers hired by the Iraqis themselves were only two symptoms of a general tendency. The decision to expel the British Council along with the Embassy in December was ~~not~~ hastily reversed when the consequences were pointed out. Our interest lies in enabling the Council to continue its profitable missionary activities and in maintaining, so far as we can, our programmes of technical and even military training.

13. To sum up, 1971 was a year of well-deserved reverses for Iraq in its foreign and political initiatives (those with the communist countries excluded) but of less well-deserved successes in economic advancement along its chosen path. Despite the regime's continued unpopularity and the concentration of power in still fewer and still more inaccessible hands the prospect of a release from Ba'athist dictatorship is as remote as ever. Conspiracy is impotent. Without a change of government the early restoration of relations with ourselves is improbable. Meanwhile there is good though difficult



business to be done in an expanding market, and advantage to be gained from responding to the undiminished desire of all Iraqis for British assistance in educational and professional fields. It is not irrelevant that in a summer marked by an orgy of anti-British posturing by the government more Iraqis visited Britain to spend dinars in Harley Street and Marks & Spencers than in any other summer on record.

~~14. Copies of this despatch are being sent to .....~~

I have the honour to be Sir  
Your obedient servant  
H. G. Balfour Paul



## Enclosure

### Calendar of events in 1971

#### January

- 1 New Labour Law implemented.  
5-7 50th Anniversary celebrations of Iraqi Army, attended by British delegation.  
10 Hammadi, Minister of Oil, begins series of visits to Teheran for OPEC/Oil Company negotiations.  
13 General Shihab, Minister of Defence, begins month's visit to U.K.  
15-20 Visit to Turkey of Vice President Ammash and Foreign Minister Shaikhly.  
19 Al Ahram reports Iraqi troop withdrawals from Jordan.  
25 Dismissal of Ministers of Economy and Planning, Fakhri Qaddouri and Jawad Hashem.

#### February

- 14-19 Visit by Manchester Chamber of Commerce mission.  
16-21 Lebanese Prime Minister, Saeb Salam, visits Iraq.  
22 Minister of Oil joins in signature of Teheran Oil Agreement, and leaves for oil price talks in Libya.

#### March

- 11 Anniversary celebrations of 1970 Kurdish settlement.  
15-25 Naif Hawatmeh, Secretary General of PDLFP, and a PLO delegation successively visit Baghdad for discussions.  
28 ABSP and KDP delegates leave for CPSU Congress in Moscow.  
30 Assassination in Kuwait of ex-Vice President Hardan Tikriti.  
Soviet Economic delegation begins 12-day visit.

#### April

- 7 24th Anniversary celebrations of ABSP.  
8 Agreement signed for ID 80 million Soviet loan.  
15-20 Visit of Omani delegation led by Imam Ghaleb.  
21-26 Visit of Deputy Commander, Soviet Air Force.

#### May.

- 12 New committee set up by RCC to settle issues outstanding under 1970 Kurdish settlement.  
15 President Bakr denounces "bourgeois concepts" in education and culture.  
18 Announcement that USSR will construct Baghdad/Basra oil distribution pipeline.  
RCC approves record Budget of ID 994 for 1971/2.  
27 Signature of Iraq/UK Agreement for setting up ELT Institute.  
Two further oil exploration agreements signed between INOC and Soviet Technoexport.



June

- 7 Agreement signed between Minister of Oil and IPC Managing Director on East Mediterranean prices, etc.
- 13 Ministerial reshuffle follows dismissal of Minister of Education, Abdulbaqi, due to make official visit to U.K.
- 14 RCC decree prohibiting members of Armed Forces, as well as Ministers and diplomats, from having foreign wives causes resentment. Minister of Oil leads economic delegation to China and obtains ID 14 million loan.
- 16-24 Important Soviet mission, led by Deputy Prime Minister Novikov, visits Iraq.

July

- 5-6 British Air Attache and First Secretary (Information) declared PNG, followed by First Secretary (Economic).
- 8 Equivalent counter-expulsions of Iraqi diplomats announced in London.
- 14-17 Anniversary celebrations of Iraqi revolutions pass off uneventfully.
- 17 President Bakr announces intention of launch National Assembly "within a few days".
- 18 Withdrawal of Jordanian Ambassador and closure of Iraq/Jordan frontier demanded following Fedayeen/Jordanian fighting.
- 19 RCC recognizes Atta's (transient) regime in Sudan.
- 21-23 Visit of Kuwaiti Foreign Minister.
- 22 IAF plane carrying congratulatory mission to Sudan crashes near Jedda.
- 30 Tunisian Foreign Minister begins 3-day visit.

August

- 2 "Republic of South Vietnam" establishes embassy in Baghdad.  
Bomb explosion outside Libyan Embassy.
- 3-5 Foreign Minister Shaikhly visits Kuwait.
- 7-11 ABSP/PLO talks in Baghdad.
- 25-31 Foreign Minister Shaikhli presides <sup>in Paris</sup> over meeting of Iraqi ambassadors in Europe, after visits to Ankara, Budapest and Stockholm.
- 14 Economic/technical mission ~~to Moscow~~, led by Minister of Oil, begins 3-week visit to Moscow and signs protocol on oil and irrigation affairs.
- 26-30 British Council programme for Dr Suad, Minister of Higher Education (holidaying in UK) includes call on Mrs Thatcher.

September

- 6 General Shihab, Minister of Defence, begins month's visit to Moscow and Budapest.



- 9-10 Foreign Minister of PDRY visits Baghdad.  
 14 Iraq claims to have scotched discussion at Arab League meeting of relations with W. Germany.  
 17 "Confessions" of Lt.Col. Fahim Jalal, ex-Commander of Baghdad Air Base and "agent of British Intelligence", broadcast on all Iraqi radio and television stations.  
 22-29 Iraqi delegation visits Syria to discuss proposed Rumaila/East Mediterranean pipeline.  
 28 Vice President Ammash and Foreign Minister Shaikhly dismissed, being subsequently appointed Ambassador in Moscow and Permanent Representative to U.N.  
 29 Attempted assassination of Kurdish leader Barzani, reputedly by agents of Government.

### October

- 1-21 8th Baghdad International Trade Fair.  
 5-9 President Iriani of YAR pays state visit to Iraq and secures ID 3 million loan.  
 9-24 Soviet Deputy Minister of Foreign Trade, GDR Defence Minister and Deputy Premier of Soviet Armenia successively visit Iraq.  
 17 Saddam Hussain restates Iraqi's determination not to allow Iran to occupy Tunb and Abu Mousa islands.  
 18 Allocation to 5-year Development Plan 1970/74 increased by ID 415 to ID 952 as result of doubling of oil revenues.

### November

- 5-6 President Bakr despatches six ministerial emissaries round Arab capitals in connexion with Palestine and the Gulf.  
 14 Hungarian Chemocomplex begins drilling INOCs Jambour oilfield.  
 15 President Bakr introduces the National Charter in TV broadcast.  
 22-24 President of Somali Revolutionary Council pays state visit.  
 30 Iraq announces decision to sever relations with Britain and Iran following Iranian landings on Abu Mousa and the Tunbs.

### December

- 1 Large but peaceful demonstrations in connexion with last item.  
 2. President Bakr sends message to all Arab Heads of State on same theme.  
 2-3 Foreign Minister Murtadha Abdulbaqi confers with Barzani in the north.  
 2-9 Minister of Oil visits Kuwait and Gulf States and attends OPEC meeting in Abu Dhabi.  
 6 Iraqi delegate at Arab League Council meeting in Cairo calls on member states to denounce



- 12

Sharjah's agreement with Iran on Abu Mousa and  
to sever relations with Britain and Iran.
- 12

Departure of H.M.Ambassador and staff,less  
Interests Section under protection of  
Royal Swedish Embassy.
- 14

Iraq delivers first shipment of ~~royal~~ (royalty) oil  
to a foreign buyer.
- 14-17

Official visit of Marshal Grechko,Soviet Minister  
of Defence.
- 18

Arrival of Azerbaijani Minister of Culture for  
10-day Iraqi/Soviet Friendship Festival.
- 24

Delegation led by Foreign Minister leaves for  
China.



Mr Egerton

Mr Evans

Mr Parsons

## IRAQ: ANNUAL REVIEW FOR 1971

Flag A  
Flag B

1. Mr Balfour Paul has kindly written his Annual Review since his return to London. Not surprisingly, it is rather more pessimistic than his Review for 1970. Furthermore, he avoids any kind of crystal gazing. Instead, he concentrates on presenting a succinct account of events in Iraq over the past year. I agree with the judgements contained in this Review, and am sure Mr Balfour Paul is right in holding out no hope for any immediate improvement in Iraq's relations with other Arab countries, or with the UK.

2. This despatch has not been copied anywhere, I recommend that it should be printed and therefore attach:

- (a) a copy prepared for printing, and
- (b) a copy prepared for submission to Under-Secretaries.

3. Mr Evans or Mr Parsons may wish to thank Mr Balfour Paul for this despatch if they should see him whilst he is in London.

Veronica Beckett

Veronica Beckett  
Near Eastern Department

7th February 1972

§ 3-4 of the Despatch bring out very well the "increasing" isolation in power of the Iraqi strong man, Saddam Hussein, since the last two Iraqi pragmatists were sacked in September. He will have

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Flag D



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to produce a success or two out of the bag in 1972 if he is to retain any credibility. (The IPC looks like being an early Target). And we must remember that the Iranians will be making actively to make trouble for the Iraqis in the coming months; they have a big score to settle over the expulsions. In these circumstances I am not sure I agree with Mr Balfar. Paul's statement (§13) that "conspiracy is impotent." But it is certainly difficult to see any prospect of early improvement in Anglo-Iraqi relations.

St. Quentin  
8/2



**CONFIDENTIAL**

**FOREIGN AND COMMONWEALTH OFFICE**

**DIPLOMATIC REPORT No. 151/72**

NEQ 1/3

*General Distribution*

**IRAQ**

**2 February, 1972**

**IRAQ: ANNUAL REVIEW FOR 1971**

*From Mr. H. G. Balfour Paul, lately Her Majesty's Ambassador at Baghdad, to the Secretary of State for Foreign and Commonwealth Affairs*

**SUMMARY**

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2. On the internal scene new acts of nervous intolerance had already set the tone by mid-year (and Britain was already in the line of fire). Motives for this new wave of repression not readily identifiable. (Paragraphs 2-3.)

3. There was more ruthlessness to follow; and by the end of the year not even its access of wealth had enabled the régime to burnish its internal image. (Paragraph 4.)

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6. Iraq's handling of her Arab relations as crass and unprofitable as ever, notably over Palestine and the Sudan. Her residual friends in the world both few and curious. (Paragraph 7.)

7. Intensified hostility with Iran was to be expected. But Iraq's reactions did her no good. (Paragraph 8.)

8. But Iraq scored some successes in the economic field. Plans for producing "national" oil made good progress: for marketing it, not so good. The IPC oil agreements of June doubled Iraq's oil income and boosted her development plans. (Paragraphs 9-10.)

9. Difficulties facing our commercial prospects in an expanding but State-controlled market, and doubts whether we shall remain Iraq's leading suppliers. (Paragraph 11.)

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10. Advantages of responding to the undiminished Iraqi desire for professional and educational links with Britain. (Paragraph 12.)

11. In short, 1971 was for Iraq a year of political reverses but economic gains. The régime is not likely to be ousted nor relations with Britain to be quickly mended. But our commercial and cultural effort is worth maintaining. (Paragraph 13.)

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*Foreign and Commonwealth Office,  
2 February, 1972.*

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2. It was in its internal behaviour that in 1970 the régime had shown signs of greater self-confidence and the stirrings of moderation. But in 1971 this trend was unhappily reversed. Thus the dismissal from their Ministries of two top pragmatic technocrats in January (and of a third in June), the assassination of the exiled and likeable General Hardan Tikriti in March, the determination announced in May to eradicate "bourgeois and liberal concepts" in culture and education, the dismissal of many highly-placed officers and office-bearers in June because of their foreign wives, and the invention of a plot (backed by British Intelligence) to overthrow the régime at the beginning of July—all these indicated not an access of confidence but a loss of nerve on the part of the clique at the centre of power. There was worse to follow. But already by mid-year the promise of better things on the home front had evaporated; and it may be worth pausing at this point to consider why.

3. So far as one could judge there was no cause for this renewed repression: no rival focus of power, that is to say, looked remotely like emerging. It may be that growing disillusion with the Kurdish settlement of 1970 had something to do with it. Perhaps the régime's continued failure to arouse popular support weakened their nerve. Perhaps tensions within the corridors of power drove the dominant but unloved Saddam Hussain to greater ruthlessness. Perhaps the taunts and prophecies of doom voiced by other Arab Governments (from whom Iraq remained marvellously estranged) aroused an element of panic. It does not need much to revive the nervous intolerance congenital in Iraqi Governments. The Russians, certainly, need not be suspected of encouraging repression since Iraqi Communists were prominent among those who suffered. Nor can the sort of unpopularity inseparable from prolonged financial straits have still been worrying the régime, for it was already clear early in the year that soaring oil revenues would soon carry them well out of the red.



4. But certainly by mid-year loss of confidence was already evident. And the rest of the year compounded it. Of the tens of officers arrested over the alleged conspiracy in July none—apart from Colonel Fahim Jalal, whose “confessions” of working for British Intelligence were given maximum publicity in September—were officially named or brought to trial. President Bakr’s promise in July of a National Assembly “within a few days” remained as ever unfulfilled. The two remaining pragmatists at the top, Vice-President Anmash and Foreign Minister Shaikhly, were sacked in September. The failure of the Government’s Kurdish policy was lamentably underlined by its grisly but abortive attempt on the 29th of that month to assassinate the Kurdish leader, Barzani. And on the home front the year ended with nothing but a half-baked National Charter to show for constitutional progress, with the pretence of collective leadership increasingly abandoned and only an orgy of junketings with East European goodwill missions to conceal from the people the régime’s political credibility-gap. All this, it should be added, despite a vast access of oil wealth (making possible huge allocations to development, generous pension laws and doubtless many unpublicised disbursements) which might have been expected to enable even this régime to burnish its internal image.

5. Externally, meanwhile, the régime’s political behaviour was even less encouraging. Despite constant protestations of a desire for a better understanding with the West, and despite sundry measures to cultivate a special relationship with France, the tobogganing towards Moscow gained further if sometimes bumpy impetus. Considering the conflicting nature of Soviet interests in the Near East and the carefree manner in which the Iraqis continued both to repress their own pro-Soviet Communists and to dally with Peking, the Russians handled the régime with conspicuous skill and forbearance. Yet another Soviet loan (of ID80 million) was vouchsafed in April; fairly sophisticated military equipment, paid for or not, continue to pour in through the back door; Iraq’s indebtedness to the *bloc* in the development of her “national” oil policies expanded without visible friction; and on any date in the year there was at least one high-level delegation travelling to or from *bloc* countries. Of the inward missions pride of place must go to that led by Deputy Prime Minister Novikov in late June, carefully timed to trump the IPC oil agreements of the beginning of that month and establishing (in Iraqi eyes) a new degree of public intimacy, inter-party and inter-governmental, between Moscow and Baghdad—less embracing of course than the preceding Soviet treaty with Egypt and not so glaring as to cause an uncontrollable explosion in Tehran, but still impressive.

6. As for our own political relations with Iraq, the cards were increasingly stacked against us as the year’s play proceeded. I am not thinking particularly of the alleged involvement of three members of the Embassy in the alleged July conspiracy. (By the Iraqi canon, all diplomats are spies: and most of them are plotting. What else could they be for?) The purpose of this particular fiction and of the expulsion of the three officers concerned was mainly to give an air of verisimilitude to the internally convenient story of a plot. By itself it did not greatly affect our political relations. But it was otherwise in the case of Gulf affairs. Our endeavours to leave a tidy and stable situation behind us in the Gulf obliged us to clash with Iraq to avoid a more damaging clash with Iran. On the crucial issue of the disputed islands of Abu Musa and the Tunbs Iraq’s concern that they should *not* be occupied by Iranian forces was little less pronounced than Iran’s concern that they *should*. And the circumstances in which the occupation took place on 30 November made it inevitable that Iraqi spleen should vent itself on Britain almost more than on Iran. Whether they would have gone the length



of severing relations had their attempts to drum up Arab sympathy for their cause proved less fruitless, is debatable. Their instant decision to sever relations bore all the signs of an unpremeditated, midnight gesture of despair.

7. Iraqi preoccupation with the Gulf had been publicly waxing as their interest in the central Arab issue of Palestine privately waned. The withdrawal of virtually the whole of Iraq's forces from Jordan and Syria, completed early in the year, may have been a relief to more combatant Arab Governments but cannot have enhanced Iraq's standing as a champion of Arab rights; and such measures as she took during 1971 to break out of her almost total isolation in the Arab world were half-hearted and fruitless. The folly of her indirect involvement in Atta's *coup* in the Sudan in September compounded her alienation from the mainstream of Arab revolution. And when the islands issue came to the boil there may well have been a feeling amongst other revolutionary Arabs that, if Iraq insisted on pursuing her own miscreant ambitions at the expense of the central Arab cause, she could stew in her own juice. The Ba'athists of Baghdad, unfortunately, have no talent for drawing morals. And it is ample comment on Iraq's capacity for losing friends and influencing nobody that by the end of the year, and despite making passes at North Yemenis and Somalis, her only regular bedfellows were North Koreans, South Yemenis and outlandish layabouts from Guinea.

8. As for the most important of her immediate neighbours, Iran, the temperature of mutual relations dropped and remained well below zero. Skirmishings on the frontier, infiltrations of saboteurs and long-range bombardments on the radio have long been accepted by both sides as part of the way of life. But they are irrelevant to the main issue, which concerns Iran's emergence as the dominant Power in the area. There was and is nothing much Iraq could do to obstruct Iran's advance; and the only positive responses she could think up—expelling many thousands of harmless and homeless Iranians and severing diplomatic relations—can hardly have aroused the sympathy of impartial observers.

9. But whatever may be said of her lamentable political gamesmanship in 1971, at home and away, she could none the less claim some notable successes on the financial and economic front. Apart from steady progress, with Soviet *bloc* help, in the pursuit of her "national" oil policies, she was enabled by the course of history to extract such financial concessions from the Iraq Petroleum Company that, following the agreements of early June on chargeable costs and East Mediterranean prices, Iraq was declared by the IMF to have entered the category of "rich countries". Even if final acceptance by the IPC of royalty expensing and the notorious Law 80 still eludes her, she ended the year with her oil income doubled and the certainty of more to come from the same source—if not also from the marketing of her own "national" production, due to start in the new year. Whether her search for adequate outlets for her national oil will or will not succeed, and whether the IPC, under the Government's gross harassments, will or will not decide that the game is no longer worth the candle are the main economic question marks hanging over 1972.

10. As things stand, however, Iraq's capacity to get her countrywide development plans off the ground, to attract foreign commercial and contracting interest, to pay her debts and to raise the general standard of living is now, in the purely financial sense, considerable. To have been able in October to raise her 1970-74 Development Plan allocations from ID415 million to ID952 million would be a boost to any Government's morale, and there is some reason to hope



that the plan's sensible priorities—beginning with agriculture and irrigation—will be seriously pursued. The Ba'athists should also be given some credit, in the socio-economic field, for seriously re-examining their educational structure and for reverting to the policy of seeking foreign technical and university teachers, British (could they get them) in particular. Their new Labour and Pension Laws are also, with certain reservations, well conceived.

11. But despite the expanding market our own commercial prospects may not greatly benefit. The trend towards intensified State control of the economy and to inter-governmental trading and trade agreements (with an unwelcome emphasis on barter), the continued insistence on cheap credit and on allocating major contracts to those more interested in political than commercial profit all militate against an improvement in Britain's trading position. We may still prove, despite a small net drop in our exports (around £20 million), to have remained Iraq's leading supplier in 1971; but we shall hardly retain the position thereafter. We secured in 1971, despite effort, no big contracts; our long-gestated offer of credit facilities came too late to be of interest; the exports of Communist countries with their built-in procedural advantage and (amongst others anxious to get both feet in the door) of France are shooting upwards. None the less there is still a preference for British goods in various ranges; and with the marketing expanding fast there is no cause for our export effort to be abandoned or relaxed, whatever the state of our political relations.

12. There is one other field in which continued effort is worthwhile. Our professional and educational links with Iraq are deep-rooted. They are valued by Iraqis, even those politically ill-disposed (from President Bakr downwards); and they are worth fostering by us if only for their ultimate material dividend. Throughout the year the régime displayed a renewed concern for the expansion of such non-political links: the signature of an agreement for a joint English Language Teaching Institute in May and the stream of British medical experts and advisers hired by the Iraqis themselves were only two symptoms of a general tendency. The decision to expel the British Council along with the Embassy in December was hastily reversed when the consequences were pointed out. Our interest lies in enabling the Council to continue its profitable missionary activities and in maintaining, so far as we can, our programmes of technical and even military training.

13. To sum up, 1971 was a year of well-deserved reverses for Iraq in its foreign and political initiatives (those with the Communist countries excluded) but of less well-deserved successes in economic advancement along its chosen path. Despite the régime's continued unpopularity and the concentration of power in still fewer and still more inaccessible hands the prospect of a release from Ba'athist dictatorship is as remote as ever. Conspiracy is impotent. Without a change of Government the early restoration of relations with ourselves is improbable. Meanwhile there is good though difficult business to be done in an expanding market, and advantage to be gained from responding to the undiminished desire of all Iraqis for British assistance in educational and professional fields. It is not irrelevant that in a summer marked by an orgy of anti-British posturing by the Government more Iraqis visited Britain to spend dinars in Harley Street and Marks & Spencers than in any other summer on record.

I have, etc.,

H. G. BALFOUR PAUL.



**CONFIDENTIAL****Enclosure****Calendar of events in 1971****January**

- 1 New Labour Law implemented.
- 5-7 50th anniversary celebrations of Iraqi Army, attended by British delegation.
- 10 Hammadi, Minister of Oil, begins series of visits to Tehran for OPEC/Oil Company negotiations.
- 13 General Shihab, Minister of Defence, begins month's visit to UK.
- 15-20 Visit to Turkey of Vice-President Ammash and Foreign Minister Shaikhly.
- 19 *Al Ahram* reports Iraqi troop withdrawals from Jordan.
- 25 Dismissal of Ministers of Economy and Planning, Fakhri Qaddouri and Jawad Hashem.

**February**

- 14-19 Visit by Manchester Chamber of Commerce mission.
- 16-21 Lebanese Prime Minister, Saeb Salam, visits Iraq.
- 22 Minister of Oil joins in signature of Tehran Oil Agreement and leaves for oil price talks in Libya.

**March**

- 11 Anniversary celebrations of 1970 Kurdish settlement.
- 15-25 Naif Hawatmeh, Secretary-General of PDLFP, and a PLO delegation successively visit Baghdad for discussions.
- 28 ABSP and KDP delegates leave for CPSU Congress in Moscow.
- 30 Assassination in Kuwait of ex-Vice-President Hardan Tikriti.
- Soviet economic delegation begins 12-day visit.

**April**

- 7 24th anniversary celebrations of ABSP.
- 8 Agreement signed for ID80 million Soviet loan.
- 15-20 Visit of Omani delegation led by Imam Ghaleb.
- 21-26 Visit of Deputy Commander, Soviet Air Force.

**May**

- 12 New committee set up by RCC to settle issues outstanding under 1970 Kurdish settlement.
- 15 President Bakr denounces "bourgeois concepts" in education and culture.
- 18 Announcement that USSR will construct Baghdad/Basra oil distribution pipeline.
- RCC approves record Budget of ID994 million for 1971-72.
- 27 Signature of Iraq/UK Agreement for setting up ELT Institute.
- Two further oil exploration agreements signed between INOC and Soviet Technoexport.

**June**

- 7 Agreement signed between Minister of Oil and IPC Managing Director on East Mediterranean prices, etc.
- 13 Ministerial reshuffle follows dismissal of Minister of Education, Abdulbaqi, due to make official visit to UK.
- 14 RCC decree prohibiting members of armed forces, as well as Ministers and diplomats, from having foreign wives causes resentment.
- Minister of Oil leads economic delegation to China and obtains ID14 million loan.
- 16-24 Important Soviet mission, led by Deputy Prime Minister Novikov, visits Iraq.

**CONFIDENTIAL**



*July*

- 5-6 British Air Attaché and First Secretary (Information) declared PNG, followed by First Secretary (Economic).
- 8 Equivalent counter-expulsions of Iraqi diplomats announced in London.
- 14-17 Anniversary celebrations of Iraqi revolutions pass off uneventfully.
- 17 President Bakr announces intention to launch National Assembly "within a few days".
- 18 Withdrawal of Jordanian Ambassador and closure of Iraq/Jordan frontier demanded following Fedayeen/Jordanian fighting.
- 19 RCC recognises Atta's (transient) régime in Sudan.
- 21-23 Visit of Kuwaiti Foreign Minister.
- 22 IAF plane carrying congratulatory mission to Sudan crashes near Jedda.
- 30 Tunisian Foreign Minister begins three-day visit.

*August*

- 2 "Republic of South Viet-Nam" establishes Embassy in Baghdad.  
Bomb explosion outside Libyan Embassy.
- 3-5 Foreign Minister Shaikhly visits Kuwait.
- 7-11 ABSP/PLO talks in Baghdad.
- 14 Economic/technical mission, led by Minister of Oil, begins three-week visit to Moscow and signs protocol on oil and irrigation affairs.
- 25-31 Foreign Minister Shaikhly presides in Paris over meeting of Iraqi Ambassadors in Europe, after visits to Ankara, Budapest and Stockholm.
- 26-30 British Council programme for Dr. Suad, Minister of Higher Education (holidaying in UK), includes call on Mrs. Thatcher.

*September*

- 6 General Shihab, Minister of Defence, begins month's visit to Moscow and Budapest.
- 9-10 Foreign Minister of PDRY visits Baghdad.
- 14 Iraq claims to have scotched discussion at Arab League meeting of relations with West Germany.
- 17 "Confessions" of Lieutenant-Colonel Fahim Jalal, ex-Commander of Baghdad Air Base and "agent of British Intelligence", broadcast on all Iraqi radio and television stations.
- 22-29 Iraqi delegation visits Syria to discuss proposed Rumaila/East Mediterranean pipeline.
- 28 Vice-President Ammash and Foreign Minister Shaikhly dismissed, being subsequently appointed Ambassador in Moscow and Permanent Representative to UN.
- 29 Attempted assassination of Kurdish leader, Barzani, reputedly by agents of Government.

*October*

- 1-21 Eighth Baghdad International Trade Fair.
- 5-9 President Iriani of YAR pays State Visit to Iraq and secures ID3 million loan.
- 9-24 Soviet Deputy Minister of Foreign Trade, GDR Defence Minister and Deputy Premier of Soviet Armenia successively visit Iraq.
- 17 Saddam Hussain restates Iraqi's determination not to allow Iran to occupy Tunb and Abu Musa islands.
- 18 Allocation to Five-year Development Plan, 1970-74, increased by ID415 million to ID952 million as result of doubling of oil revenues.

*November*

- 5-6 President Bakr despatches six Ministerial emissaries round Arab capitals in connection with Palestine and the Gulf.
- 14 Hungarian Chemocomplex begins drilling INOC's Jambour oilfield.
- 15 President Bakr introduces the National Charter in television broadcast.
- 22-24 President of Somali Revolutionary Council pays State Visit.
- 30 Iraq announces decision to sever relations with Britain and Iran following Iranian landings on Abu Musa and the Tunbs.



**December**

- 1 Large but peaceful demonstrations in connection with last item.
- 2 President Bakr sends message to all Arab Heads of State on same theme.
- 2-3 Foreign Minister, Murtadha Abdulbaqi, confers with Barzani in the north.
- 2-9 Minister of Oil visits Kuwait and Gulf States and attends OPEC meeting in Abu Dhabi.
- 6 Iraqi delegate at Arab League Council meeting in Cairo calls on member States to denounce Sharjah's agreement with Iran on Abu Musa and to sever relations with Britain and Iran.
- 12 Departure of Her Majesty's Ambassador and staff, less Interests Section under protection of Royal Swedish Embassy.
- 14 Iraq delivers first shipment of (royalty) oil to a foreign buyer.
- 14-17 Official visit of Marshal Grechko, Soviet Minister of Defence.
- 18 Arrival of Azerbaijani Minister of Culture for 10-day Iraqi/Soviet Friendship Festival.
- 24 Delegation led by Foreign Minister leaves for China.



Glen Balfour-Paul's Annual Review Of Iraq For 1971, Including Pessimistic Views Of Ba'athist Régime. Iraq: Annual Review For 1971. 2 Feb. 1972. MS Middle East Online: Iraq, 1914-1974: Selected files from series AIR, CAB, CO, FCO, FO, PREM, T, WO, The National Archives, Kew, UK FCO 17/1728. The National Archives (Kew, United Kingdom). Archives Unbound, [link.gale.com/apps/doc/SC5107477492/GDSC?u=webdemo&sid=bookmark-GDSC&xid=724454f4&pg=1](https://link.gale.com/apps/doc/SC5107477492/GDSC?u=webdemo&sid=bookmark-GDSC&xid=724454f4&pg=1). Accessed 11 Apr. 2022.